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Industrial Composition--Trends and Outlook: Sagadahoc County, 1981

Maine Department of Manpower Affairs

Maine Bureau of Employment Security

Maine Division of Manpower Research

Maine Labor Market Information Services

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INDUSTRIAL COMPOSITION--
TRENDS AND OUTLOOK

SAGadahoc COUNTY



Labor Market Information

BUREAU OF EMPLOYMENT SECURITY

MANPOWER RESEARCH DIVISION 20 UNION ST. AUGUSTA, ME 04330

A BUREAU OF THE MAINE DEPARTMENT OF MANPOWER AFFAIRS

PREFACE

Given that employment and training programs attempt to intrude or penetrate existing labor markets, an understanding of the industrial structure within such markets is imperative in order to develop effective strategic and operational employment plans. Accordingly, this technical services monograph was designed to provide an analysis of the industrial structure and the dynamics of industrial change in Sagadahoc County to assist employment and training program administrators and planners in assessing local job opportunities. Simply, efforts were directed within the monograph to identify those selected industries within Sagadahoc that have healthier trends, larger employment, and/or more attractive stability.

The accompanying appendix to the monograph identifies additional sources of labor market information that might be applicable for employment and training program planning.

Any questions or comments regarding the contents of this monograph should be directed to Steven J. Gruz, Manager for Labor Market Information--Lewiston District, Maine Department of Manpower Affairs, Bureau of Employment Security, 522 Lisbon Street, Lewiston, Maine 04240, or by telephone at 207-783-9171.

Ray A. Fongemie, Director
Manpower Research Division

April 1981

A Technical Services Monograph of the Labor Market Information
Field Services Section, Paul E. Luce, Chief

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CIVILIAN LABOR FORCE TRENDS

The economy of Sagadahoc County showed signs of slowing down during 1980. Although average resident employment increased moderately from 11,120 to 11,620, for a net gain of 500 jobs, such growth was not sufficient to offset a sharp jump in the number of unemployed persons from 710 to 820, resulting in the unemployment rate rising from 6 percent to 6.6 percent between 1979 and 1980. Essentially, employment in Sagadahoc did not grow at a rate fast enough to accommodate the influx of persons looking for work. However, the annual average unemployment rate for Sagadahoc County remained well below the corresponding state and national rates of 7.7 percent and 7.1 percent, respectively.

SECTION II

INCOME AND EARNINGS

According to the U.S. Department of Commerce, Bureau of Economic Analysis, per capita income in Sagadahoc County remained below both the State and national levels in 1978. Per capita income in 1978 for Sagadahoc was \$6,277 compared with \$6,308 for Maine and \$7,854 for the nation. The growth rate of per capita income in Sagadahoc lagged behind that for both the State and nation between 1969 and 1978, with a growth rate of 107 percent for Sagadahoc compared with 111 percent for the State and 114 percent for the nation. Between 1977 and 1978, however, the growth rate of per capita income in Sagadahoc exceeded that for both the State and nation. While the per capita incomes of the State and nation increased by 10.1 percent and 11.5 percent, respectively from 1977 and 1978, per capita income in Sagadahoc increased 13.7 percent.

Another published indicator of consumer well-being is Effective Buying Income (EBI). EBI serves as a measure of the disposable or spendable incomes of households.

The median household EBI within Sagadahoc remained below that of the State by \$348 in 1978 and \$13 in 1979. A median household EBI of \$15,466 ranked Sagadahoc 5th highest out of all Maine counties. A review of the distribution of EBI shows a lower proportion of county, as compared with State, households having disposable incomes of \$15,000 and over. Yet, a higher proportion of county households had disposable incomes of \$10,000 to \$14,999.

A review of wages paid by employers subject to the Maine Employment Security Law reveals that Sagadahoc had the highest average weekly wage in the State in 1979; \$238.02 compared with \$199.30 for the State. Manufacturing, which accounted for 58.8 percent of nonfarm employment, had the highest average weekly wage of any county in the State. Such is due mainly to the presence of the high-paying transportation industry in the county. Except for manufacturing, all other industries had wages either equal to or below average weekly wages for the State in 1979.

Two factors perhaps help to explain why Sagadahoc evidences high wages in covered employment, while at the same time having a relatively low per capita income. First, the county has a larger than average number of workers commuting from outside its borders, and therefore many of the higher wages are paid to persons living outside Sagadahoc. Secondly, a low labor force participation rate in Sagadahoc naturally results in lower per capita incomes.

SECTION III

POPULATION TRENDS

According to the U.S. Department of Commerce, Bureau of the Census, the population of Sagadahoc increased from 23,452 to 28,763 between 1970 and 1980. A population growth rate of 22.6 percent ranked Sagadahoc 3rd fastest of all Maine counties. The population of the State increased by 13.1 percent during the period, while the population of the nation increased by 11.3 percent.

SECTION IV

LONG-TERM INDUSTRIAL TRENDS

Private covered employment in Sagadahoc jumped substantially from 7,158 in the second quarter of 1975 to 10,443 in the second quarter of 1980. This represents a 45.9 percent increase over the period. Between 1975 and 1980 employment in the manufacturing sector within Sagadahoc increased by 2,331 jobs, or by 49.5 percent, while employment in nonmanufacturing rose by 954 jobs, or by 38.9 percent.

Between the second quarters of 1975 and 1978, the only significant growth in manufacturing occurred in transportation equipment (+2,265). Major job gains in the nonmanufacturing sector from 1975 to 1980 occurred in eating and drinking places (+156), membership organizations (+148), health services (+142), food stores (+121), and transportation and public utilities (+100). Smaller employment increases were found in automobile dealers and service stations (+30), miscellaneous retail (+30), and banking (+31). Contract construction (-42) and wholesale trade (-5) evidenced minimal losses.

SECTION V

SHORT-TERM INDUSTRIAL TRENDS

Despite a worsening State and national economic situation, private covered employment in Sagadahoc continued to increase significantly between the second quarters of 1979 and 1980, or from 9,685 to 10,443. Steady expansion at Bath Iron Works primarily accounted for such growth. The manufacturing sector saw employment rise from 6,348 to 7,038 between

1979 and 1980. The only industry to show an increase in employment was transportation equipment (+745), while the remaining industries in manufacturing suffered slight employment losses. The nonmanufacturing sector saw employment increase slightly from 3,337 to 3,405 between 1979 and 1980. Moderate employment gains were found in membership organizations (+85), eating and drinking places (+28), and health services (+20). Employment in food stores, transportation and public utilities, automotive dealers and service stations, and banking remained virtually unchanged. Wholesale trade (-89), real estate (-51), and contract construction (-20) experienced slight job losses.

SECTION VI

ECONOMIC DEVELOPMENTS AND OUTLOOK

In 1980 Bath Iron Works experienced its busiest peacetime production boom since World War II. The shipyard acquired about \$285 million worth of new shipbuilding contracts during 1980 and approaches 1981 with a healthy construction backlog of \$600 million and indications of stability for its 5,584-member work force. 1/

The bulk of the company's work in 1980 involved building guided missile frigates for the U.S. Navy. Three of those ships, the USS Clark, the USS Morison and the USS Estocin, were delivered in 1980. In keeping with the reputation that Bath Iron Works has built for itself, all frigates were significantly under budget and an average of 12 weeks ahead of schedule. 2/

However, in 1980 Bath Iron Works experienced some employment instability. According to President John F. Sullivan, Jr., summer and fall layoffs were necessary to adjust to changes in production schedules. The near-weekly layoffs affected nearly 400 workers. The shipyard began recalling some of the employees in late September 1980, when it received a \$30 million contract through Sun Shipbuilding to build a 350-foot dredge for the Army Corps of Engineers. 3/

In conjunction with this healthy backlog of guided missile frigates and tanker contracts, Bath Iron Works plans to begin work the spring of 1981 on a \$3.15 million addition to its assembly building and a new \$425,000 paint and sandblast shop. 4/

Elsewhere in Sagadahoc County, area manufacturers met with varying amounts of success. Gerald Morneau, manager of Health-Tex, Inc., the Brunswick Chesebrough-Pond's subsidiary that manufactures children's clothing, reports his business barometer points to a prosperous 1981. Employment at Health-Tex, Inc., dipped from 435 to 403 in 1980 before rebounding to 449. 5/

Donald W. Hopkins, vice-president at the Topsham-based Pejepscot Paper Division of the Hearst Company, stated that sales were down at the mill in 1980 but no significant layoffs occurred. Hopkins expects employment to remain around 330. 6/

Employment at Etonic, Inc., the speciality shoe manufacturing company in Richmond, declined from 320 to 269 during 1980. However, company president Steve Pannen feels that based on the current strength of the golf shoe business, the level of business in 1981 should be good. 7/

At Grambacher, the Brunswick art supply company formerly known as the Jay Corp., Personnel Manager Ella Gordon expects to do some hiring later in the spring of 1981. Employment dropped from 230 to 214 in 1980. Ms. Gordon thinks that business will pick up in February or March, at which time she expects to hire 15 to 25 employees. 8/

Plant Manager Lester Martin sees Clarostat Corp. returning to full capacity during 1981. Although employment at the Richmond firm, which manufactures electrical components, dropped from 150 to 130 in 1981, Martin feels that business is improving for those firms which order from Clarostat. 9/

Glenn Horan, production manager at Congress Sportswear in Bath, reports a new fall line should lead the clothing company to a stronger year. Horan terms 1980 as a "fair year." Although employment dropped from 111 to 107, Horan estimates the firm may hire as many as 10 new employees to produce the new fall line. 10/

Miller Shoe Company, which suffered a two-month shutdown during the fall of 1980, began recalling its full work force of 160 employees during early 1981. Furthermore, company president Milton Goldberg expects employment to peak at between 200 and 240. According to Goldberg, due to fashion dictates, 1981 should be a much better year than 1980 for boots, one of the lines manufactured at the Brunswick plant. 11/

Several construction projects are planned for 1981. Brunswick Naval Air Station has two construction projects slated: a \$700,000 administration building and 62 units of housing with a price tag of \$1.4 million. 12/ Brunswick Manor has proposed building a new \$1 million 50-bed facility on Cumberland Street. 13/ Holiday Inn plans to expand its Cook's Corner facility by 30 rooms. The 30-room expansion is the first phase of a proposed multimillion dollar project that would convert the Holiday Inn to a convention center. 14/ Construction of the Topsham Fair Mall should begin during 1981. Plans call for the mall to include a food store, a catalog store, and 60,000 square feet of small stores. The projected cost of the new mall is between \$6 million and \$9 million. 15/

SECTION VII

SHORT-TERM EMPLOYMENT OUTLOOK

The following Industrial-Indicator Matrix can be used as a guide in assessing "promising" industries in Sagadahoc County. The matrix measures five indicators: 1980 employment, net and percent changes in employment between 1975 and 1980, unemployed claimants as a percent of

industry employment, and covered wages for 1980. Each indicator is then rank ordered by industry in order to identify desirable industries for possible employment and training program development considerations. The following industries appeared as the top 10 industries in Sagadahoc: (1) Transportation Equipment; (2) Instruments and Related Products; (3) Heavy Construction Contractors; (4) Health Services; (5) Food Stores; (6) Eating and Drinking Places; (7) Wholesale Trade - Durable Goods; (8) Paper and Allied Products; (9) Banking; and (10) Automotive Dealers and Service Stations.

SECTION VIII

SUMMARY

The economy of Sagadahoc County is characterized by a large, high-paying, manufacturing base, of which approximately 85 percent of the employment is concentrated in transportation equipment. The dramatic growth of the economy of Sagadahoc County over the past five years may be attributed primarily to growth in transportation equipment, or more specifically the continued expansion at Bath Iron Works. Furthermore, the expansion at Bath Iron Works has had a multiplier effect throughout the economy of Sagadahoc, resulting in many job gains in the nonmanufacturing sector. Despite experiencing a year of ups and downs, Bath Iron Works heads into 1981 with a strong backlog of orders and the prospect of prospering under the new Reagan Administration. Statewide projections further indicate above-average growth for transportation equipment. Taking these factors into consideration along with the data obtained from the Industrial-Indicator Matrix, it appears that transportation equipment, health services, food stores, eating and drinking places, and banking may offer some promise for employment and training program development considerations.

Table 1

INDUSTRIAL-INDICATOR MATRIX
SAGadahoc County

SIC Code	Industry Title	Rank Order by Composite Index	Employment 1/				Unemployment Insurance Claimants Second Quarter 1980 2/	Claimants as a Percent of Employment Second Quarter 1980	Average Weekly Wages Second Quarter 1980 3/	Composite Index 4/
			Second Quarter Averages		Change					
			1975	1980	Net	Percent				
15	General Building Contractors.....	18	84	75	-9	-10.7	26	34.7	\$179.20	63
16	Heavy Construction Contractors.....	3	59	126	+67	+113.6	3	2.4	252.89	32
17	Special Trade Contractors.....	17	199	98	-101	-50.8	18	18.4	183.41	81
20	Food and Kindred Products.....	20	68	55	-13	-19.1	18	32.7	104.80	96
23	Apparel and Other Textile Products.....	15	109	120	+11	+10.1	5	4.2	168.19	67
26	Paper and Allied Products.....	8	321	322	+1	+0.3	5	1.6	292.10	44
31	Leather and Leather Products.....	14	376	359	-17	-4.5	18	5.0	168.37	67
37	Transportation Equipment.....	1	3,659	5,924	+2,265	+61.9	11	0.2	328.32	14
38	Instruments and Related Products 5/.....	2	0	153	+153	+153.0	0	0.0	137.90	32
42	Trucking and Warehousing.....	11	43	71	+28	+65.1	2	2.8	225.67	53
48	Communication.....	12	82	82	+0	+0	2	2.4	231.11	62
50	Wholesale Trade - Durable Goods.....	7	79	123	+44	+55.7	3	2.4	244.47	41
51	Wholesale Trade - Nondurable Goods.....	19	60	10	-50	-83.3	2	20.0	193.53	89
52	Building Materials and Garden Supplies.....	12	26	59	+33	+126.9	3	5.1	181.38	53
54	Food Stores.....	5	140	261	+121	+86.4	3	1.2	116.13	39
55	Automotive Dealers and Service Stations.....	10	179	209	+30	+16.8	13	6.2	205.98	52.5
58	Eating and Drinking Places.....	6	199	355	+156	+78.4	8	2.3	102.72	40
59	Miscellaneous Retail.....	13	146	176	+30	+20.6	15	8.5	166.32	62.5
60	Banking.....	9	53	84	+31	+58.5	0	0.0	171.32	45
65	Real Estate.....	16	35	40	+5	+14.3	0	0.0	132.97	67
80	Health Services.....	4	447	589	+142	+31.8	8	1.4	169.61	35

1/ Employment, Wages, and Contributions, Quarterly Reports 1975 and 1980, Maine Department of Manpower Affairs, Manpower Research Division.

2/ An average monthly number of unemployment insurance claimants for each industry was calculated by applying a percent distribution, obtained from monthly samples of claimants in the Regular State Unemployment Insurance Program, to the total number of insured unemployed (by month) in each county.

3/ Employment, Wages, and Contributions, Second Quarter 1980, Maine Department of Manpower Affairs, Manpower Research Division. Part-time workers are included in these calculations. Tips received by employees are not included in this wage data.

4/ When two industries had the same composite index, the higher rank ordering was given to the industry with the greatest 1980 employment.

5/ Because of a change in products manufactured, one major firm was reclassified from electrical machinery, equipment, and supplies to measuring, analyzing, and controlling instruments.

FOOTNOTES

- 1/ The Times Record, December 31, 1980, p. 3.
- 2/ The Lewiston Daily Sun, February 28, 1981, p.28.
- 3/ The Times Record, December 31, 1980, p.3.
- 4/ Ibid, February 10, 1981, p.3.
- 5/ The Times Record, February 6, 1981, p.9.
- 6/ Ibid.
- 7/ Ibid.
- 8/ Ibid.
- 9/ Ibid.
- 10/ Ibid.
- 11/ Ibid.
- 12/ Ibid.
- 13/ Ibid, January 14, 1981, p.2.
- 14/ Ibid, February 6, 1981, pp. 1-26
- 15/ Ibid, January 7, 1981, p.2.

APPENDIX

ADDITIONAL SOURCES OF LABOR MARKET INFORMATION APPLICABLE FOR EMPLOYMENT AND TRAINING PROGRAM PLANNING

Strategic employment program planning is a process of examining a local labor market to determine the problems that are most persistent, the population groups affected, and the available jobs for which those persons can be made employable. This appendix identifies selected data that may be analyzed by employment program planners to assess economic conditions in a local labor market. It is not a comprehensive treatment of all available labor market information for analytical purposes. The attempt is to identify only current data of particular importance to strategic employment program planning. Planners are encouraged to contact source agencies for a detailed explanation of each data item identified.

Bureau of Employment Security Reports/Data Items:

Publications

- LMI Newsletters
- Annual Planning Information
- Directory of LMI
- Affirmative Action Information
- Technical Services Monographs
- LMI on Special Worker Groups
- Occupational/Industrial Projections to 1982
- Occupational Staffing Patterns
- Occupational Wages in Manufacturing and Nonmanufacturing Industries
- Occupational Licensing Requirements
- Labor Market Reviews

Data Items

- Current Employment Statistics (CES)
- Labor Turnover Statistics (LTS)
- Employment, Wages, and Contributions (ES-202)
- Employment Security Automated Reporting System (ESARS)
- Characteristics of the Active File (ESARS, T-93)
- Applicants and Nonfarm Job Openings by Classification (ESARS, T-96)
- LMI Analytical Table Series
- Local Area Unemployment Statistics (LAUS)
- Characteristics of the Insured Unemployed (ES-203)
- Lawrence Berkeley Laboratory Data (LBL)
- Survey of Income and Education (SIE)

Other Agency Reports Information:

- Census Series (Demographics, Economic)
- Summary Manpower Indicators
- Current Population Reports
- U.S. Industrial Outlook
- BLS Area Wage Surveys
- Current Population Survey
- Employment and Earnings
- Occupational Outlook Handbook
- Employment and Training Report of the President
- Economic Report of the President
- Occupational Information System
- Career Information Delivery System

References for Interpreting LMI:

- Standard Industrial Classification Manual (SIC)
- Dictionary of Occupational Titles (DOT)
- ETA Glossary of Terms
- Cross-Code Index
- BLS Handbook of Methods

Reference Agencies:

- Bureau of Employment Security
- Maine Occupational Information Coordinating Committee (MOICC)
- Bureau of Labor Statistics (Regional Office)
- Government Printing Office Bookstores
- U.S. Department of Commerce (District Office)

The perceptual movement of the figure illustrates the two facets of research. Viewed one way, the four small arrows pointing to the central square represent the varied inputs to a research project. Viewed another way, the four large arrows pointing outward represent the widespread dissemination of the results of research.

For further information regarding this report,
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